

CITY OF HORSESHOE BAY

CITY COUNCIL PUBLIC MEETING AND PUBLIC HEARINGS

October 16, 2007

The Council of the City of Horseshoe Bay held a Public Meeting and Public Hearings at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, October 16, 2007, in accordance with duly posted notice of said meeting. Mayor Bob Lambert called the meeting to order at 3:00 p.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Karen Wines, Alderwoman
Richard Rantzow, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call to Order and Establish a Quorum: Mayor Bob Lambert called the Public Meeting to order at 3:00 p.m. with a quorum present. Mayor Lambert led the pledge of allegiance to the United States Flag and the Texas Flag. Reverend Johnny White from the Church at Horseshoe Bay led the invocation.
2. Comments from Mayor: Mayor Lambert announced that anyone who wanted to speak needed to sign up if they had not done so. He also stated he had been advised by the developer requesting the zoning change on property near the area of Azure and High Circle South that they will probably revise the building plan to only be on the property already zoned commercial. They can change their mind and come back to the Council in the future if they choose to do so.
3. Comments from Aldermen: Alderman Rantzow asked whether the City should consider having a Wi-Fi connection on a city-wide basis. Alderman Babcock said the City of Llano, Llano Memorial Hospital and the Llano Independent School District are combining in an effort to bring broadband to the area. He was informally approached as to whether the City of Horseshoe Bay might be interested in joining in the attempt to do this. Mayor Lambert agreed and said the Council will follow up on this. Alderwoman Wines said as most people know this is her last meeting with the Council and she wanted to thank everyone that had offered her suggestions and support during her term. Alderman Babcock stated the City's Strategic Plan references an Annexation Plan. The Council has not yet addressed this issue. He had prepared a first draft and would like to give it to the Council for review prior to placing it on the agenda. He does think this will be the beginning of the process and could take 3 to 5 months to complete.

4. Public Comments: Trey Ratliff spoke regarding the zoning change on High Circle South and Azure and would like to see better communication in order for residents to be kept informed. Next to speak was Gail Monahan on the proposed rezoning of High Circle South and Azure who would also like more restrictions on rezoning. Tom Vortman also spoke regarding the application for rezoning and asked that the Council make a better effort to notify all the citizens of Horseshoe Bay.

5. Consent Agenda Items:

- a. Minutes of the September 18, 2007 Public Meeting
- b. Financial Advisory Agreement between the City of Horseshoe Bay and First Southwest Company
- c. Declare Lot K7107 as Surplus and Authorize the General Manager to Advertise for Sealed Bids and Award the Bid for the Purchase of the Property
- d. Amend ORD 07-09-18C Animal Control Definition of Owner
- e. Date for November Council Meetings
- f. Authorize Llano County to Spend Funds to Improve The Hills/a Portion of Golden Nugget with Center Striping
- g. Right of Way Management Ordinance
- h. Revisions to the Personnel Policies for Vacation Accrual and Pension Benefits for all Employees, and Holiday Pay for Firefighters
- i. Agreement Regarding Firefighting Services Between the City of Horseshoe Bay and Oak Ridge POA, Llano County MUD #1, The Hill Sections I & II POA, and The Hills Section III POA
- k. Engagement Letter with Neffendorf, Knopp, Horry and Doss, P.C. to Conduct the FY2007 Audit
- l. Building Permit Ordinance Amendment and Building Code Ordinance Amendment providing for Authority to Issue Building Permits and Conduct Inspections in the City's ETJ
- m. Award of Bid for Construction of Phase II Wastewater Force Main
- n. Re-Allocation of Budgeted CIP Funds (Field Operations Maintenance Facility)
- p. Request for an Attached Wireless Communication Facility Permit for a Verizon Wireless Antenna to be Co-located on the Existing Elevator Penthouse on the Roof of the Marriott
- q. Authorization by City Council for Hiring of Employee Related Within the First Degree of Consanguinity (Son of Existing Employee)

e. Mayor Lambert recommended canceling the Council meetings scheduled on November 1 and 27 and schedule two meetings on November 13, a Bond Workshop at 1:00 p.m. followed by the swearing in ceremony at 2:30 p.m. and the regular meeting at 3:00 p.m.

- o. Request for Approval of an 11,434 Square Foot Residence, Lot 94-B, Horseshoe Bay, Applehead Island Plat No. 3.94B, Llano County, Texas (94 Applehead Island Drive)

Alderman Babcock asked to remove Item o. from the consent. He asked if there would be additional fees due to the size of this structure. Eric Winter reported they have done a

lengthy review of the plans. He also stated the fees are based on the size of the structures so this will be taken care of. Alderman Babcock asked that a requirement be added that if Eric Winter and Fire Chief Fiero feels there should be some stipulations regarding sprinkler systems as required in the proposed Fire Code that this be made a requirement prior to issuing the building permit. Alderman Rantzow made the motion that this item be approved with the mentioned stipulation. The motion was seconded by Alderwoman Wines. The motion passed unanimously (4-0).

j. Award of Contract for the Purchase of Financial, Administrative, and Utility Information Systems

Alderman Rantzow asked that Item j. be removed from the Consent Agenda stating the Council had not received a copy of the contract to review. He would like to know how long this project was supposed to take, what the payment schedule was, and if there was a penalty clause if they did not meet their time schedule. He added that software projects can sometime string on indefinitely. The decision was made to defer this item.

Alderman Rantzow made the motion to approve the remainder of the Consent Agenda with the stipulation added on Item e., removing Item j and Item o. already having been approved. The motion was seconded by Alderman Bird. The motion passed unanimously (4-0).

6. General Manager's Report: The General Manager's report is hereby attached and made a part of these minutes.
7. Removal of Tract "CCC" a 3.19 Acre Tract Located on the Northwest Corner of HSB Boulevard and Hwy 2147, Zone 14, Llano County, from the Moratorium Extended on August 13, 2007: Mayor Lambert stated due to the size of this area, he has talked to the Resort and they are agreeable that if Item 7 and Item 8 are approved as well as Item #13.a., the plat will have an annotation on it stating that the only construction allowed on it is a two-story office building with a 6,000 square foot footprint. This conforms to the ordinance and will not require any exceptions. Alderman Babcock made the motion to approve the removal of this tract from the moratorium. The motion was seconded by Alderman Rantzow. The motion passed unanimously (4-0).
8. Public Hearing and Possible Action Regarding Zoning of Tract "CCC" of Horseshoe Bay, Plat No. 21.12 to C-2 Commercial Zoning, Llano County, Texas: Mayor Lambert convened the public hearing at 3:49 and asked if there were any comments. There were none and the public hearing was adjourned. Alderman Rantzow made the motion to approve the rezoning of this tract to C-2 Commercial. The motion was seconded by Alderwoman Wines. The motion passed unanimously (4-0).
9. Annexation Petitions for Skywater: Mayor Lambert said this is a continuation of the annexation procedure for Skywater. If the petitions are accepted today there will be public hearings on the agenda for the November meeting and the final approval will be on the December meeting agenda. Alderman Babcock made the motion to approve the two

ordinances accepting the annexation petitions for Skywater Over Horseshoe Bay. The motion was seconded by Alderman Bird. The motion passed unanimously (4-0).

10. Public Hearing Regarding the Creation of Escondido Public Improvement District of City of Horseshoe Bay: Mayor Lambert convened the public hearing at 3:52 p.m. and asked if there were any comments. Sam Boyd asked for clarification on several matters. Mayor Lambert asked if there was anyone else who wanted to speak. There were no additional speakers and he adjourned the public hearing. Alderman Babcock explained that the developers of Escondido and Lake LBJ MUD entered into a series of agreements that provided for the issuance of Defined Area Bonds which would allow reimbursement to the developer of certain infrastructure costs, water and sewer, to a maximum of \$5,475,000. Those bonds would have been repaid by a tax on Escondido property owners. A bond election was held and approved to issue these bonds. Following the incorporation of the City and the absorption of Lake LBJ MUD, the City learned it could not issue Defined Area Bonds because cities cannot tax different residents in different locations of the City different rates. This is a Constitutional prohibition. The City felt bound to honor all the obligations of the MUD and has done so with this exception. All property owners in Escondido were notified at closing that they would be subject to additional taxation in order to satisfy repayment of these bonds. After looking at various alternatives, it was decided to try to solve the problem through special legislation. The Council required Escondido to notify all property owners that this was being undertaken. The legislation that came out of the latest session of the Legislature basically focused on utilizing a Public Improvement District in order to accomplish these same goals. This PID would have the authority to issue bonds in order to reimburse the developer for his costs up to the amount originally agreed upon with Lake LBJ MUD. Involved in the process are investment bankers, bond counsel and a CPA to audit the expenditures to verify they were in fact made for those purposes. This agenda item is to authorize and create the Escondido Public Improvement District. There will need to be a separate hearing to approve the assessment plan of the property owners to assure they will not pay more under the PID than they would have under the taxation. They will have the option to pay a one time assessment or to pay it out over the 20 year life of the bonds. Mayor Lambert said Escondido is working with bond counsel as well as an investment advisor to determine the assessment methodology. The bonds will be issued by the PID and will be repaid by assessment of the Escondido property owners as they would have been with the Defined Area Bonds, and this will honor the contract between Lake LBJ MUD and Escondido. Alderwoman Wines stated that there is a paragraph in the Resolution that states the City will not be obligated to pay any costs of these bonds. The assessment by the PID is in lieu of the original assessment for the Defined Area bonds.
11. A Resolution of the City of Horseshoe Bay, Texas Approving and Authorizing the Creation of a Public Improvement District to be called the Escondido Public Improvement District Within the City of Horseshoe Bay and Providing an Effective Date Thereof: Alderman Rantzow made the motion to approve the resolution approving and authorizing the creation of the Escondido Public Improvement District. The motion was seconded by Alderman Babcock. The motion passed unanimously (4-0).
12. The City Council, meeting as the Board of Adjustment, will Conduct a Public Hearing and Possible Action Regarding:

- a. Variance Request by Horseshoe Bay Resort to Allow Construction of Fencing that Exceeds 7 feet in height to Allow Extension of the Existing 14' Fences 4 feet on Horseshoe Bay Property Adjacent to Courtside Townhouses (Buffalo): Mayor Lambert convened a public hearing at 4:06 p.m. The first speaker was Sam Keown, a Courtside Townhouse property owner, who spoke against the variance stating he did not feel the request meets the requirements for granting a variance. Lura Joan Keown added she is also against the variance and asked the Council to deny the request. Brad Curtis, president of the homeowner's association and a property owner, spoke against the variance stating he does not feel there is a firm foundation for granting this variance. Mayor Lambert asked if there were additional public comments and then adjourned the public hearing. He then stated he had asked Ron Mitchell to explain to the Council what they would like to build if the variance is granted. Mr. Mitchell stated the new fencing would be built at additional cost in order to match the fencing that already exists and states there is fencing for safety and around tennis courts throughout HSB that exceeds the 7 foot regulation. He stated the living area in the units he has been in is on the second and third floors and this fence should not block the view from there. One of the reasons the Resort is requesting the variance is security. The fence does separate public from private areas and screens the residential from the public area. Alderwoman Wines made the motion to deny the variance allowing a fence that exceeds 7 feet in height. The motion was seconded by Alderman Rantzow. The motion was passed unanimously (4-0).
- b. Variances from the 20 foot Front yard Requirement and the 20 foot Street Side Yard Requirement for Construction of Two Single-Family Residences on Lot Nos. 324 and 325 in the Pecan Creek Subdivision (Blanco Ct.): Mayor Lambert convened a public hearing at 4:43 p.m. and asked if there were any public comments. There were none and he adjourned the public hearing. Alderman Rantzow made the motion to approve the variance to the yard requirements. The motion was seconded by Alderwoman Wines. The motion passed unanimously (4-0).

13. Conduct a Public Hearing and Consideration of Preliminary Plats:

- a. Replat of Tract "CCC", Horseshoe Bay, Plat No. 21.12 and Lot C21005 of Horseshoe Bay, Plat No. 21.2 to be known as Horseshoe Bay Plat No. 21.16, Llano County, Texas (HSB Blvd. & 2147)
 - b. Replat of Lot Nos. 17 and 18-B, Trails End, Section One-A, Llano County, Texas (Christine Circle)
 - c. Replat of Lot Nos. 19, 20-A, 21-A, 22-A1, 23-A1 and 24-A1 and Reserve Tract 11, The Trails of Lake LBJ, Phase One, Llano County, Texas (The Trails Parkway & Rock n Robyn)
 - d. Replat of Lot No. W29047-2, Horseshoe Bay West Plat No. 29.12 and Lot No. W29049-B, Horseshoe Bay West Plat No. 29.11, to be known as Horseshoe Bay West Plat No. 29.19, Llano County, Texas (108 Wennmohs)
 - e. Replat of Lot Nos. 10098 and 10099, Horseshoe Bay Plat No. 10.2, to be known as Horseshoe Bay Plat No. 10.5, Llano County, Texas (505 Rawhide)
 - f. Replat of Lot Nos. 60 and 61, Correction Plat of the Trails of Lake LBJ, Phase Two, Llano County, Texas (136 Rock n Robyn Trail)
- Mayor Lambert stated the plat on 13.a. will have a statement which restricts the building to a two-story office building with no more than a 6,000 square foot footprint. Alderman

Rantzow made the motion to approve all of the Preliminary Plats adding the statement to 13.a. The motion was seconded by Alderman Babcock. The motion passed unanimously (4-0).

14. Fire Code Ordinance – for discussion only: Mayor Lambert said this item has been under consideration for some time. Fire Chief Jim Fiero recommended the adoption of the International Fire Code 2006 edition. He said there are copies of the code book if anyone would like to see one. Mayor Lambert recommends asking several of the area developers familiar with construction standards in the City to review this and make recommendations to the Council. The recommended code has been reviewed by City Staff and City Attorney Akers.
15. Solicit Member for Llano Central Appraisal District Board of Directors: Mayor Lambert stated the board member for the last several years has been Jack Martin. He has expressed a desire to continue to serve on the Board of Directors of the Llano Central Appraisal District where he is currently serving as Vice-Chairman. After hearing support for Mr. Martin continuing to serve on the board, Mayor Lambert said he would put an item on the Consent Agenda for the November meeting to reappoint Mr. Martin.
16. Recognition of Alderwoman Wines: Mayor Lambert presented a Certificate of Appreciation to Alderwoman Wines for serving on the first City Council of City of Horseshoe Bay. General Manager Mike Thuss also presented her with a certificate from City employees.
17. Adjournment: Alderman Babcock made the motion to adjourn the meeting at 5:10 p.m. The motion was seconded by Alderman Bird. The motion passed unanimously (4-0).

APPROVED this 13th day of November, 2007.

/S/
Robert W. Lambert, Mayor

ATTEST:

/S/
Toni Vanderburg, City Secretary